

September 17, 2019

Item No. 3

RECOMMENDATION TO PURCHASE PROPERTY AND MANAGEMENT LIABILITY INSURANCE COVERAGES

Presenter: Patricia Rios, Chief Administrative Officer

Recommendation

The Chief Executive Officer recommends that the Board of Commissioners of the Chicago Housing Authority authorize the purchase of Property and Management Liability insurance coverage with the below listed insurers for an aggregate not-to-exceed amount of \$2,761,527 for a one-year policy term, effective from October 1, 2019 through September 30, 2020.

The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority Board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Funding:

Risk Management Budget / General Fund

Coverage	Expiring Premium	Recommended Insurer	Renewal Premium	Change
Property	\$ 1,105,292	Travelers	\$ 2,315,000	109.4%
Package policies includes	\$ 240,695		\$ 249,978	
General Liability				
Public Officials E&O				
Sexual Molestation Liability		Brit Global Specialty USA		
Employment Practices				
Employee Benefits Liability				
Lawyers E&O				
Architect, Engineer E&O				
Law Enforcement E&O				
Excess Workers' Compensation				
Excess Liability	\$ 76,091	AWAC	\$ 79,420	
Auto Liability & Physical Damage	\$ 55,121	Travelers	\$ 56,826	
Fiduciary Liability	\$ 16,500	National Union	\$ 16,600	
Crime	\$ 8,558	Hiscox	\$ 8,558	
Cyber Liability	\$ 35,145	AIG	\$ 35,145	
Sub-total	\$ 432,110		\$ 446,527	3.3%
Total:	\$ 1,537,402		\$ 2,761,527	79.6%

Background

- The Authority renews insurance coverage for Property and Management Liability on an annual basis, effective on October 1st.

Procurement Process

- Arthur J. Gallagher is the Authority's broker of record for all Property and Casualty insurance purchases.
- HUD granted an indefinite waiver to utilize broker to complete procurement process.
- Section 3 does not apply to 'supply and delivery' procurements; however, Gallagher allocates 30% of their brokerage contract's value to two M/W/DBE vendors (Risk Management Information Systems and W. A. George Insurance Agency)

Respectfully Submitted:

Patricia Rios
Chief Administrative Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 17, 2019 entitled RECOMMENDATION TO PURCHASE PROPERTY AND MANAGEMENT LIABILITY INSURANCE COVERAGE.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to purchase Property and Management Liability Insurance Coverage through its insurance broker of record, Arthur J. Gallagher & Company ("AJG"), for a period of one (1) year, beginning October 1, 2019 through September 30, 2020, in an amount not-to-exceed \$2,761,527.

This award is not subject to the CHA's MBE/WBE/DBE/ Section 3 hiring and insurance requirements.

James L. Bebley
Acting Chief Executive Officer
Chicago Housing Authority